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FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9437
INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L JERUSALEM 002240

SIPDIS

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/WATERS;
TREASURY FOR SZUBIN/GRANT/HARRIS/NUGENT/HIRSON

E.O. 12958: DECL: 10/29/17
TAGS: [ECON](#) [EFIN](#) [KFTN](#) [PGOV](#) [KWBG](#)
SUBJECT: PRESIDENT ABBAS SIGNS ANTI-MONEY LAUNDERING DECREE

REF: A. JERUSALEM 1994

[1](#)B. JERUSALEM 1995

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

[1](#)1. (C) On October 27, President Abbas signed a presidential decree enacting anti-money laundering legislation intended to make it harder for groups such as Hamas to obtain funds (reftels). Abbas and Prime Minister Fayyad told the Consul General that the legislation would be enacted by decree, given the inability of the Palestinian Legislative Council (PLC) to form a quorum. Hamas spokesman Sami Abu Zuhri told the press that the law may have some effect on Hamas, but that it will not succeed in drying up the organization's sources of funding.

[1](#)2. (C) Palestine Monetary Authority (PMA) Deputy Governor Jihad al-Wazir told Econoff October 29 that he and his PMA colleagues are happy with the law: "We got what we wanted." He said the law provides the tools required to combat money laundering and terrorism financing, including the authority to suspend accounts showing suspicious activity. He said the only last-minute change in the legislation is the addition of the Ministry of National Economy to the steering committee. He said he will provide post an English version of the legislation as soon as one is available.

[1](#)3. (SBU) Al-Wazir told local press the law should also help reassure foreign banks that they can do business with their Palestinian counterparts without running afoul of U.S. and Israeli counterterrorism regulations. Al-Wazir noted that the regulations were put together with the help of the International Monetary Fund (IMF) and are in line with international standards. He said that violators will face 3-to-15 years in prison and fines of up to NIS 600,000 (USD 150,000).

WALLES